

**IN THE CHANCERY COURT OF LEWIS COUNTY
AT HOHENWALD, TENNESSEE**

In Re: Sentinel Trust Company

)
)
) Case No. 4781
)

AFFIDAVIT OF VIVIAN LAMB

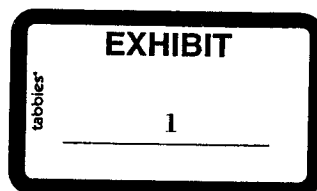
I, Vivian Lamb, having been duly sworn, do attest to the following:

1) I am of majority age and have personal knowledge of the contents of this affidavit.

2) I am Program Administrator for the Trust Examination Division of the Tennessee Department of Financial Institutions. I have been involved in the examination of Sentinel Trust Company.

3) In the course of my work regarding Sentinel Trust, I have examined information concerning fiduciary investments held separately for debt payments on various bond issues. Attached as Exhibit A to my affidavit is an Investment Report which identified all of the separate securities held on behalf of certain identified bond issues. As noted on Exhibit A, I have personally verified the existence of all of the investments listed and verified for which bond issues the investment is held.

4) Based upon my review of the records, the fiduciary investments shown in Exhibit A have always been maintained separately and have always been held in conjunction with a specific bond issue. The fiduciary investments shown in Exhibit A have been held separately for the purpose of paying the scheduled debt payments on the corresponding bond issue, including in some instances, refunding of a prior bond issue by the same issuer and in other instances, mandatory or optional calls and redemptions.



5) Noted in Exhibit A are various "SLGS" amounts. This stands for State and Local Government Series securities. In the aggregate, there is approximately \$17.5 million of these SLGS investments separately held for the various bond issues as noted on Exhibit A. These SLGS are specifically registered with the United States Department of Treasury for debt payment of the particular bond issue identified in Exhibit A.

Further Affiant Sayeth Not:

Vivian Lamb

Vivian Lamb

Sworn to and subscribed before me,
this 30 day of June, 2004.

Mary B. Batey
Notary Public

My Commission Expires: 5-19-07



SENTINEL TRUST COMPANY - INVESTMENT REPORT
AS OF MAY 18, 2004
UPDATED AS OF JUNE 22, 2004

MUNICIPAL AND/OR CORPORATE ISSUES

72,000.00	71,588.74	U.S. Treasury Bill due 10/28/2004, # 912795RJ2	Poplar Grove Util Distr Opg Acct #573313000	10/28/04	SunTrust Bank, Atlanta, GA (d.e)	Verified by SunTrust 6-9-2004
80,000.00	79,543.04	U.S. Treasury Bill due 10/28/2004, # 912795RJ2	Poplar Grove Util Distr Dep/Rtd Acct #573313007	10/28/04	SunTrust Bank, Atlanta, GA (d.e)	
51,000.00	50,708.68	U.S. Treasury Bill due 10/28/2004, # 912795RJ2	Poplar Grove UD Ser01 Wtr DSR Acct. #573313041	10/28/04	SunTrust Bank, Atlanta, GA (d.e)	
390,000.00	387,772.32	U.S. Treasury Bill due 10/28/2004, # 912795RJ2	Poplar Grove Util Distr Ser96 DSR Acct. # 57331303144724010	10/28/04	SunTrust Bank, Atlanta, GA (d.e)	
421,000.00	418,594.09	U.S. Treasury Bill due 10/28/2004, # 912795RJ2	Poplar Grove UD Series 02 DSR Acct #573313051	10/28/04	SunTrust Bank, Atlanta, GA (d.e)	
1,500,000.00	1,491,430.83 (a)					
40,000.00	39,980.00	U.S. Treasury Bill, due 7-1-2004, Cusip #912795QSR5	City of Colquitt, GA Bond FD Acct. #519863010	7/1/04	SunTrust Bank, Atlanta, GA (d. for Colquitt, GA)	Verified by SunTrust 6-9-2004
75,000.00	74,925.00	U.S. Treasury Bill, due 7-1-2004, Cusip #912795QSR5	City of Colquitt, GA DSR FD Acct. #519863011	7/1/04	SunTrust Bank, Atlanta, GA (d. for Colquitt, GA)	
115,000.00	114,885.00 (a)					
10,946,000.00	10,604,764.19	TOTAL U.S. TREASURY BILLS PER 5-18-2004 Statement				
5,705,000.00	5,784,780.86	(b) U.S. Treasury Notes due 8-31-2004, #912828AK6	Stewart County Escrow Acct. #586036017	8/31/04	SunTrust Bank, Atlanta, GA (d)	Verified by SunTrust 6-9-2004
5,705,000.00	5,784,780.86	TOTAL U. S. treasury Notes PER 5-18-2004 Statement				
136,056.00	136,056.00	SLGS 1.04% due 12/01/2004, #912830025	Benton County, TN Escrow Account #506281017	12/1/04	Bureau of Public Debt Parkersburg, VA	
136,784.00	136,784.00	SLGS 1.10% due 6/01/2005, #912830026		6/1/05		
137,516.00	137,516.00	SLGS 1.22% due 12/01/2005, #912830027		12/1/05		
138,355.00	138,355.00	SLGS 1.37% due 6/01/2006, #912830028		6/1/06		
8,095,303.00	8,095,303.00	SLGS 1.55% due 12/01/2006, #912830029		12/1/06	Verified via fax from Bureau of Public Debt on 6-15-2004	
8,643,994.00	8,643,994.00 (c)					

SENTINEL TRUST COMPANY - INVESTMENT REPORT
AS OF MAY 18, 2004
UPDATED AS OF JUNE 22, 2004

MUNICIPAL AND/OR CORPORATE ISSUES

PAR.AMOUNT	BOOK VALUE	INVESTMENT	FOR ACCOUNT OF:	DUE DATE	HELD AT	VERIFICATION
136,056.00	136,056.00	SLGS 1.04% due 12/01/2004, #912830025	Benton County, TN Escrow Account #508281017	12/1/04	Department of the Treasury, Bureau of Public Debt Parkersburg, VA	Verified via fax from Bureau of Public Debt on 6-15-2004
136,764.00	136,764.00	SLGS 1.10% due 6/01/2005, #912830026		6/1/05		
137,516.00	137,516.00	SLGS 1.22% due 12/01/2005, #912830027		12/1/05		
138,355.00	138,355.00	SLGS 1.37% due 6/01/2006, #912830028		6/1/06		
8,095,303.00	8,095,303.00	SLGS 1.55% due 12/01/2006, #912830029		12/1/06		
8,643,994.00	8,643,994.00	(c)				
35,400.00	35,400.00	US Treasury SLGS Note 4.78% due 11-01-2004, #912830012	Grundy Co, TN Escrow Fd Acct. # 540406017	11/1/04	Department of the Treasury Bureau of Public Debt Parkersburg, VA	Verified via fax from Bureau of Public Debt on 6-15-2004
36,200.00	36,200.00	US Treasury SLGS Note 4.85% due 5-1-2005, #912830013		5/1/05		
37,100.00	37,100.00	US Treasury SLGS Note 4.78% due 11-01-04, #912830014		11/4/05		
8,789,500.00	8,789,500.00	U.S. Treasury SLGS Note 4.90 due 5/01/2006 (c)		5/1/06		
8,898,200.00	8,898,200.00					
17,542,194.00	17,542,194.00	TOTAL SLGS/Bureau of Public Debt PER 5-18-2004 Statement				
34,193,194.00	33,931,739.05	TOTAL				

TOTAL INVESTMENTS PER ASSET TYPE

(a) - U. S. Government Bills & discount notes	10,604,764.19
(b) - U. S. Government Notes & bonds, interest bearing	5,784,780.86
(c) - U. S. Government SLGS/Bureau of Public Debt	17,542,194.00
6-22-2004 Balance of Municipal and Corporate Investments	33,931,739.05

points, as released daily by Treasury in a SLGS rate table.

SLGS rate table means a compilation of SLGS rates available for a given day.

“We”, “us”, or “the Secretary” refers to the Secretary and the Secretary’s delegates at the Department of the Treasury (Treasury), Bureau of the Public Debt (Public Debt), and Division of Special Investments (DSI). The term also extends to any fiscal or financial agent acting on behalf of the United States when designated to act by the Secretary or the Secretary’s delegates.

§ 344.2 What general provisions apply to SLGS securities?

(a) *What other regulations apply to SLGS securities?* SLGS securities are subject to:

(1) The electronic transactions and funds transfers provisions for United States securities, part 370 of this subchapter, “Electronic Transactions and Funds Transfers Related to U.S. Securities”, and

(2) The Appendix to subpart E to part 306 of this subchapter, for rules regarding computation of interest.

(b) *Where are SLGS securities held?* SLGS securities are issued in book-entry form on the books of the Department of the Treasury, Bureau of the Public Debt, Division of Special Investments, Parkersburg, WV.

(c) *Besides DSI, do any other entities administer SLGS securities?* The Secretary may designate selected Federal Reserve Banks and Branches, as fiscal agents of the United States, to perform services relating to SLGS securities.

(d) *Can SLGS securities be transferred?* No. SLGS securities held in an account of any one type, i.e., time deposit, demand deposit, or special zero interest, cannot be transferred within that account, or to an account of any other type. Transfer of securities by sale, exchange, assignment, pledge, or otherwise is not permitted.

(e) *How does a bank or other agent certify its authority?* When a commercial bank or other agent submits an initial or final subscription on behalf of the issuer, it certifies that it is acting under the issuer’s specific authorization. Ordinarily, evidence of such authority is not required.

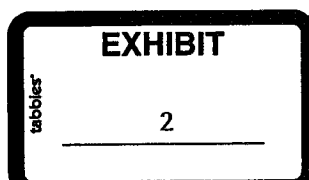
(f) *What transactions are not permitted?* The following is a nonexclusive list of impermissible transactions:

(1) It is impermissible to subscribe for SLGS securities for deposit in a defeasance escrow of fund if at any time between the close of business on the date of subscription and the close of business on the date of issue, the amount of SLGS securities subscribed for, plus the amount of any other securities already in such escrow or fund, plus the amount of other securities the issuer has acquired, or has the right to acquire for deposit in an escrow or fund, exceeds the total amount of securities needed to fund such escrow or fund.

(2) For paragraph (f)(1) of this section, do not include in the computation any securities held in the escrow or fund that are not subject to an agreement conditioned on changes in the interest rate on open market Treasury securities on or before the issue date of the SLGS securities. An adjustment in the subscription amount under § 344.5(b)(4)(ii) will not in and of itself make the transaction impermissible.

(3) The following examples illustrate certain permissible and impermissible practices:

(i) In order to fund an escrow for an advance refunding, the issuer simultaneously enters into a purchase contract for open market securities and subscribes for SLGS securities, such that either purchase is sufficient to pay the cash flows on the outstanding bonds to be refunded but together, the purchases are greatly in excess of the amount necessary to pay the cash flows. The issuer plans that, if interest rates decline during the period between the date of subscribing for SLGS securities and the requested date of issuance of SLGS securities, the issuer will enter into an offsetting agreement to sell the open market securities and use the bond proceeds to purchase SLGS securities to fund the escrow. If, however, interest rates do not decline in that period, the issuer plans to use the bond proceeds to purchase the open market securities to fund the escrow and cancel the SLGS securities subscription. This arrangement in effect allows the SLGS program to provide a



cost-free option to the issuer. This transaction is prohibited.

(ii) The existing escrow for an advance refunding contains open market securities which produce a negative arbitrage. In order to reduce or eliminate this negative arbitrage, the issuer subscribes for SLGS securities at a yield higher than the yield on the existing escrow, but less than the permitted yield. At the same time, the issuer agrees to sell the open market securities in the existing escrow to a third party and use the proceeds to purchase SLGS securities if interest rates decline between the date of subscribing for SLGS securities and the requested date of issuance of SLGS securities. The issuer and the third party further agree that if interest rates increase during this period, the issuer will cancel the SLGS securities subscription. This arrangement in effect allows the SLGS program to provide a cost-free option to the issuer. This transaction is prohibited.

(iii) Under the same facts as in paragraph (f)(3)(ii) of this section, except that in this case, the agreement entered into by the issuer with a third party to sell the open market securities in order to obtain funds to purchase SLGS securities is not conditioned upon changes in interest rates on Treasury securities. No option is created. This transaction is permissible.

(iv) The issuer subscribes for SLGS securities fifteen days before the settlement date of its bonds at the maximum rates on such day, but the resulting yield in the escrow is less than the permitted yield. The rates on the SLGS securities rise over the next few days, and, within the time periods permitted for cancellation of a subscription under § 344.5(b)(1) and § 344.8(b)(2), the issuer cancels the earlier subscription and resubscribes at the higher rates. This transaction is permissible.

(v) The issuer holds a portfolio of open market securities in an account that produces negative arbitrage. In order to reduce or eliminate this negative arbitrage, the issuer subscribes for SLGS securities for purchase in sixty days. At the same time, the issuer sells an option to purchase the portfolio of open market securities. If interest

rates increase, the holder of the option will not exercise its option and the issuer will cancel the SLGS securities subscription. On the other hand, if interest rates decline, the option holder will exercise the option and the issuer will use the proceeds to purchase SLGS securities. This arrangement uses the SLGS program to provide the issuer with a cost-free option. This transaction is prohibited.

(g) *When and how do I pay for SLGS securities?* You must submit full payment for each subscription to DSI by 4:00 p.m., Eastern time, on the issue date. Submit payments by the Fedwire funds transfer system with credit directed to the Treasury's General Account. For these transactions, Public Debt's ABA Routing Number is 051036476.

(h) *What happens if I do not settle on a subscription?* The penalty imposed for failure to make settlement on a subscription that you submit but do not timely cancel will be to render you ineligible to subscribe for SLGS securities for six months, beginning on the date the subscription is withdrawn or the proposed issue date, whichever occurs first.

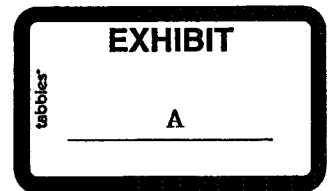
(1) *Upon whom is the penalty imposed?* If you are the issuer, the penalty is imposed on you unless you provide the Taxpayer Identification Number of the conduit borrower that is the actual party failing to make settlement of a subscription. If you provide the Taxpayer Identification Number for the conduit borrower, the six-month penalty will be imposed on the conduit borrower.

(2) *What occurs if Treasury exercises the option to waive the penalty?* If you settle after the proposed issue date and we determine that settlement is acceptable on an exception basis, we will waive under § 344.2(n) the six-month penalty under paragraph (h) of this section. You shall be charged a late payment assessment. The late payment assessment equals the amount of interest that would have accrued on the SLGS securities from the proposed issue date to the date of settlement plus an administrative fee of \$100 per subscription. Late payment assessments are due on demand.

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<u>PAR AMOUNT</u>	<u>BOOK VALUE</u>	<u>INVESTMENT</u>	<u>FOR ACCOUNT OF:</u>	<u>DUE DATE</u>	<u>HELD AT</u>	<u>VERIFICATION</u>
4,911,000.00	4,831,029.42	U.S. Treasury Strip due 11/15/2004, #912833FV7	Wayne County, TN Escrow	11/15/04	SunTrust Bank, Atlanta, GA	Verified by SunTrust 6-9-2004
106,000.00	103,417.31	U.S. Treasury Strip due 05/15/2005, #912833FW5	Account 594603017	5/15/05	in bank safekeeping acct.	
106,000.00	102,328.16	U.S. Treasury Strip due 11/15/2005, #912833FX3		11/15/05	for Sentinel Trust Company,	
105,000.00	100,078.02	U.S. Treasury Strip due 05/15/2006, #912833FY1		5/15/06	book entry in nominee name, (d)	
4,000,000.00	3,759,024.96	U.S. Treasury Strip due 11/15/2006, #912820GQ4		11/15/06		
9,228,000.00	8,895,877.87	(a)				
98,000.00	97,591.34	U.S. Treasury Bill due 9-30-2004, #912795RE3	Ocoee Utility District	9/30/04	SunTrust Bank, Atlanta, GA (d)	Verified by SunTrust 6-9-2004
			Acct. #567556010		for Ocoee Utility District	
5,000.00	4,979.15	U.S. Treasury Bill due 9-30-2004, #912795RE3	Oglethorpe, GA	9/30/04	SunTrust Bank, Atlanta, GA (d)	
			Acct. #567040010		for City of Oglethorpe	
103,000.00	102,570.49	(a)				
78,000.00	77,554.46	U.S. Treasury Bill due 10/28/2004, # 912795RJ2	Ashland County, OH DSR Fd /Indentured	10/28/04	SunTrust Bank, Atlanta, GA (d)	Verified by SunTrust 6-9-2004
			Trust, Acct. #404417011		for various accounts (e)	
103,000.00	102,411.66	U.S. Treasury Bill due 10/28/2004, # 912795RJ2	Chattanooga TN HEFB DSR Fund/Indentured	10/28/04	SunTrust Bank, Atlanta, GA	
			Trust Acct. #416241011		(d,e)	
235,000.00	233,657.68	U.S. Treasury Bill due 10/28/2004, # 912795RJ2	Gilchrist Co FL DSR Fund/Indentured Trust	10/28/04	SunTrust Bank, Atlanta, GA	
			Acct. #437552011		(d,e)	
35,000.00	34,800.08	U.S. Treasury Bill due 10/28/2004, # 912795RJ2	Huntsville Utility District	10/28/04	SunTrust Bank, Atlanta, GA	
			Acct. # 544724010		(d,e)	
35,000.00	34,800.08	U.S. Treasury Bill due 10/28/2004, # 912795RJ2	Oglethorpe GA DSR Fund	10/28/04	SunTrust Bank, Atlanta, GA	
			Acct. #56770411		(d,e)	



(i) *What happens at redemption?* Treasury cannot call a security for redemption before maturity. Upon the maturity of a security, we will pay the owner the principal amount and interest due. A security scheduled for maturity on a non-business day will be redeemed on the next business day.

(j) *How will I receive payment?* We will make payment by the Automated Clearing House (ACH) method for the owner's account at a financial institution as designated by the owner. We may use substitute payment procedures, instead of ACH, if we consider it to be necessary. Any such action is final.

(k) *If I am not an Internet customer, how do I submit transactions to DSI?* Non-Internet customers may submit transactions by fax at (304) 480-6818, or by carrier service, U.S. Postal Service (certified or registered mail), or other means, to the Bureau of the Public Debt, Division of Special Investments, 200 3rd St., P.O. Box 396, Parkersburg, WV 26106-0396. Unless requested, DSI will not send a confirmation of receipt to non-Internet customers.

(l) *Will the offering be changed during a debt limit contingency?* We reserve the right to change or suspend the terms and conditions of the offering, including provisions relating to subscriptions for, and issuance of, SLGS securities, interest payments, early redemptions, rollovers, and notices, at any time the Secretary determines that the issuance of obligations sufficient to conduct the orderly financing operations of the United States cannot be made without exceeding the statutory debt limit. We will announce such changes by any means the Secretary deems appropriate.

(m) *What transaction requests are unacceptable?* A decision to reject an unacceptable transaction request is in our sole discretion and is final. Although we may waive the right to reject transactions under § 344.2(n), Treasury reserves the right:

(1) To reject any SLGSafeSM Application for Internet Access;

(2) To reject any electronic or paper transaction request (including requests for subscription and redemption, and changes to subscriptions) that is un-

signed, inappropriately completed, or untimely submitted;

(3) To refuse to issue any SLGS securities in any case or class of cases; and

(4) To revoke the issuance of any SLGS securities and to declare the subscriber ineligible thereafter to subscribe for securities under the offering if the Secretary deems that such action is in the public interest and any security is issued on the basis of an improper certification or other misrepresentation (other than as the result of an inadvertent error) or there is an impermissible transaction under § 344.2(f).

(n) *Are there any situations in which Treasury may waive these regulations?* We reserve the right, at our discretion, to waive or modify any provision of these regulations in any case or class of cases. We may do so if such action is not inconsistent with law and will not subject the United States to substantial expense or liability.

SLGSafeSM

§ 344.3 What special provisions apply to SLGSafeSM Internet transactions?

(a) *What is SLGSafeSM?* SLGSafeSM is a secure Internet site on the World Wide Web through which you can submit SLGS securities transactions. SLGSafeSM Internet transactions constitute electronic messages under 31 CFR part 370.

(b) *When can I subscribe using SLGSafeSM?* You will be able to submit SLGSafeSM transactions to DSI after we approve your SLGSafeSM Application under § 344.3(g).

(c) *What special terms and conditions apply to SLGSafeSM?* The following terms and conditions, which may change from time to time, apply to SLGSafeSM transactions and are downloadable from Public Debt's website:

(1) SLGSafeSM Application for Internet Access and SLGSafeSM User Acknowledgment;

(2) Public Debt's Certificate Practice Statement; and

(3) SLGSafeSM Internet User's Guide.

(d) *Who can apply for SLGSafeSM access?* There are five roles in SLGSafeSM: owner, trustee, receiving depository financial institution, subscriber, and viewer. If you are an owner